

# **EXHIBIT 2**

# How REX is Disrupting the Real Estate Market | | REX Blog

by *Craig Barrett*

In 2015, a real estate start-up called REX was founded by [Harvard graduate Jack Ryan](#), “as a digital alternative to the residential real estate agent”. Today REX is a one-stop-shop, full-service brokerage using technology to its advantage. We take a closer look at the differences between REX and traditional agencies, to discover just how it is currently disrupting the \$1.5 trillion residential real estate industry.

## Buying a home is currently too complicated

According to a 2018 study entitled “Real Estate in a Digital Age” by the [National Association of Realtors](#), 93% of potential buyers use an online website to search for houses.

With the largest and most active section of the housing market being millennials, that’s not a surprise. Millennials are technology savvy and extremely connected. After all, they grew up with the Internet, it’s an integral part of their identity and culture.

However, the traditional purchasing method makes buying a home overly complicated and is off putting, especially for millennials. NAR found that the amount of paperwork involved and understanding the process “was more difficult for millennials than any other generation”.

The problem lies, says [a recent article by The Economist](#) in “a knot of obsolete practices that seem to favor insiders rather than the buyers and sellers of property.” This is also suggested in [NAR’s survey](#) with 48% percent of all the real estate companies cited saying keeping up with technology was one of the ‘biggest challenges’ facing their firm in the next two years.

## REX uses tech-forward thinking

REX recognizes that getting a foot on the property ladder isn’t an easy task and lends a helping hand using AI, machine learning, and data technologies to directly target interested buyers with suitable homes.

This means that buyers simply have to give REX some pertinent information about what they’re looking for and let an algorithm do the rest. Remarketing through digital advertising also helps to prompt buyers to share the property with friends, book a viewing, or make an offer.

REX actively markets homes to qualified buyers on their own site, on search engines like Google and Bing, popular social media platforms like Facebook and Instagram, as well as big sites such as Zillow and Trulia.

Another difference to traditional real estate is that [REX homes for sale](#) aren't on the MLS, traditionally the best place to search for a house. REX disagrees with this notion explaining that "Traditional real estate agents post your home on the MLS, cross their fingers, and hope the right buyer comes along...We don't like waiting."

## Traditional methods charge exorbitant fees

For home buyers that have made it onto the property ladder, it's not always happily ever after. Say a few years down the track you want to sell your home for whatever reason. You'd like to think your property has gained capital and that you're on the way to making your biggest asset work for you.

The reality is, if you use the traditional method of selling, you're going to be losing at least 5-6% of that capital gain to pay for agent seller and buyer fees. This is exorbitant compared to other industries and other countries. "The scale of the commissions extracted by the real-estate industry in America," says [The Economist](#), "is jaw-dropping."

Unless sellers are expert negotiators or agents are willing to give them discounts, it means a large chunk of money is handed over to a traditional agent for simply listing a home on the MLS and holding a few open houses. This is where REX's business model really has an advantage over the traditional selling method.

## REX charges less commission

Like the traditional method of buying and selling, with REX you get a full-service experience: a dedicated REX agent who helps with paperwork, mortgage and insurance, escrow and closing handling, etc. But the difference is, REX agents don't work on commission.

REX charges a flat commission fee starting at 2% to list a seller's home, market it, and arrange viewings with potential buyers. So there's no incentive, like in traditional real estate, for agents to steer buyers towards higher priced homes. A REX agent's interests lie in matching the right home with the right buyer, not lining their pockets.

Think of it like an online dating service for buyers and sellers, with REX in the middle, gently guiding the relationship towards a mutually beneficial outcome for both parties. With less money paid in commission on the part of the seller, and less hassle and stress on the part of the buyer.

## Further buyer and seller benefits of using REX

Here's a quick rundown of some further benefits that REX offers customers. You can find more on [REX's FAQs page](#).

### Buyers:

- **30-day buyback guarantee** – if you decide the home you've purchased isn't right for you REX will buy the house back.
- **Buyer's agent fee rebate** – REX will represent you in the purchase of a

non-REX home and help you buy it. They'll also refund you 50% of the buyer's agent commission that the seller pays to them.

- **Full-service assistance** – REX helps home buyers with any services they need for purchasing including inspections, mortgages, insurance products, and more. They have relationships with all the usual service providers, or you can use ones of your own choosing.

## **Sellers:**

- **No buyer's agent fee** – This can save you thousands of dollars. Even if your buyer is working with a non-REX agent, REX doesn't ask sellers to cover the cost.
- **Data-driven marketing** – REX targets buyers directly using the latest techniques in digital marketing and artificial intelligence. Your home is marketed to a wide pool of potential buyers searching for homes that aren't limited to the MLS.
- **Full-service assistance** – REX agents help sellers price their home, provide complimentary professional photoshoot, host open houses and private showings, and more.

## **Frustrated with traditional real estate methods? REX could be a better option**

REX is providing an alternative to the traditional way of buying and selling homes. They're making it easier to find the right home at the right price, and working in a smarter way to help people handle conveyancing transactions. This disruption to the real estate market is especially welcome for millennials who find buying a home fraught with difficulty under the traditional system.

[In a survey by the Urban Institute](#) the homeownership rate among millennials, ages 25 to 34, is 8% lower than it was for Gen Xers and baby boomers at the same age. Many are choosing to stay renting for longer periods rather than buy a home. While renting long term may be a viable choice for today's younger generation, REX believes that everyone should have the chance to enjoy the security and potential wealth that owning a property brings.

## **Here are some other articles you may enjoy:**

- [4 Differences Between REX and Traditional Brokerages](#)
- [5 Differences Between REX and Discount Brokerages](#)
- [Stacking Up – REX vs. Purplebricks](#)